

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7053

BILL NUMBER: HB 1553

NOTE PREPARED: Jan 20, 2007

BILL AMENDED:

SUBJECT: Retired Legislator Health Benefits.

FIRST AUTHOR: Rep. Crouch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill removes the statutory authority of the Speaker of the House of Representatives and the President Pro Tempore of the Senate to elect to pay any part of the health insurance premium of a former legislator or spouse. It closes to new participants a health insurance plan for former legislators enacted in 2001.

The bill also allows a former legislator or a spouse or dependent of a former legislator who is participating in a health insurance plan that is closed to new participants to continue participating in the plan as long as the former legislator, spouse, or dependent remains eligible to participate.

Effective Date: Upon passage.

Explanation of State Expenditures: The state currently pays a share of the health insurance premium for former state legislators (or surviving spouses) who have served in all or part of at least four terms of the General Assembly and who choose to participate in the state employee group health insurance program. The amount paid by the state is the same percentage employer share of the premium paid for active state employees as existed at the time of the legislator's retirement. This bill upon passage eliminates the authority of the House and Senate as employer to pay for any part of the health insurance premiums of former legislators and spouses who have not already retired from legislative service. Former legislators who have already retired from legislative service and are participating in the health insurance program will be unaffected. With the exception of any Senate retirements occurring between the passage of this bill and July 31, 2007, with respect to the current pool of former legislators and the treatment of future retiring legislators, these provisions are consistent with the current elections of both the House and the Senate and will have no additional fiscal impact other than prohibiting any future elections that might have otherwise differed from

the provisions of this bill.

Current statute permits former legislators to qualify for the group health insurance program after serving in all or part of at least four terms of the General Assembly. Instead, this bill provides that legislators who become former legislators after June 1, 2007, would qualify under the existing statutory provision requiring at least 10 years of service credit as a member of the General Assembly. This change will eliminate the eligibility for the group health insurance program for those legislators who might retire from legislative service with fewer than 10 years of service. In either case, future retiring legislators will be required to pay 100% of both the employee and employer shares of the premium costs.

Background Information: The annual premiums for health benefit coverage currently range from \$4,204 to \$5,470 for single coverage and \$11,561 to \$15,042 for family coverage (2007 rates). Currently, the employer share of premiums for active employees for the five health plans ranges from 76.9% to 100% for both single and family coverage.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: General Assembly.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Alan Gossard, 317-233-3546.